

H. COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE (COSSI)



The Commercial Operations and Support Savings Initiative (COSSI) program began in FY 97 as part of the Dual Use Applications Program at the Defense Advanced Research Projects Agency (DARPA). In FY 99, at Congressional direction, the program transitioned to Service implementation with the Office of the Secretary of Defense (OSD) providing administrative oversight. The majority of the COSSI funds are appropriated directly to the Services who are responsible for execution of the program. COSSI funding appropriated to OSD is given to efforts applying to more than one Service.

The purpose of the COSSI program is to reduce Department of Defense (DoD) operations and support (O&S) costs by developing, testing, and inserting commercial technologies into fielded military systems. The cost of operating and maintaining aging equipment is a major concern for DoD. The rising costs of ownership and maintenance reduces funds available for modernization, leading to a "vicious cycle" where fewer new procurements make DoD more reliant on legacy systems raising O&S costs even more. COSSI attempts to break this cycle by using technology insertions to bring down the O&S costs of legacy systems. In addition, some military-specific components in those systems have become obsolete and hard to get at any price. Using commercial items adapted to function in military systems (instead of military unique items) can reduce maintenance costs and improve system performance. Because the commercial supplier underwrites the cost of developing the commercial component, DoD saves on R&D expenses.

COSSI is a two-stage process. In Stage I, firms or teams submit proposals that include at least one for-profit firm. The proposal must include written support from a "Military Customer" who has the authority to modify the system and purchase the kits in Stage II. During Stage I, modifications are made to the core commercial product to adapt it for military use. The item is then tested to ensure it performs satisfactorily in the selected application and operational environment, with no degradation in overall system performance. Stage I is usually completed within 24 months. If Stage I is successful, the Military Customer may then use procurement funds to contract for reasonable production quantities in Stage II.

Effectiveness

COSSI establishes government and industry partnerships. Projects are cost-shared between the government and industry reducing the expense of developing and qualifying a commercial product for use in a military system. Cost sharing also signifies the contractor's commitment to the long term success of the project. By involving commercial suppliers, COSSI is making an important contribution in a process of creating an integrated military and commercial industrial base.

COSSI uses the Other Transaction Authority (OTA) provided by Section 804 of Public Law 104-208 for all Stage I projects. The OTA allows for streamlined acquisition agreements and fosters teamwork between the Department and the contractor. Red tape associated with traditional Defense contracts, intellectual-property rights, access to data, etc., are often viewed by technology-oriented companies as impediments to working with the Government. COSSI has taken on a leadership role in promoting the use of OTAs and is helping DoD achieve acquisition reform.

Status

COSSI has just completed the third competition (FY 00). The solicitation was announced in June 1999 and twenty proposals were received by mid-September. Eleven of these proposals have been selected for award.

Future Plans

The next COSSI solicitation is scheduled for the second quarter of FY 00. Proposals will be submitted by contractors, and evaluated and ranked by the Services. We expect selections to be announced in August.

Accomplishments

Thirty Stage I projects were selected in the initial COSSI solicitation issued in FY 97. During FY 99, the two projects listed below transitioned into production. More projects started in FY 97 will be transitioning to production during FY 00.

Discontinuous Reinforced Aluminum (DRA)

Two companies (Cyclone Aviation and United Fasteners) are fabricating fuel access panels and ventral fins for F-16s using the wider DRA sheets (widths from 27" to 36" and in some cases larger). In FY 00 three companies plan to use the material for 220 aircraft. Eventually the Air Force will buy fuel access panels (8 per aircraft) for 54 Block 10/15 and 337 Block 25/30/32 aircraft, and ventral fins (2 per aircraft) for 54 Block 10/15 and 404 Block 25/30/32 aircraft. The material is also being considered for F-16 engine access covers.

Mini-MUTES Replacement Processor

The AN/MST-T1(V) Mini-Multiple Threat Emitter System (Mini-MUTES) is an Air Force Electronic Warfare training system that simulates threat radars so aircrews can practice countermeasures. The current Mini-MUTES relies on an aging proprietary computer processor that requires a continuously controlled environment. The COSSI project replaced obsolete hardware and re-hosted software on a robust VME bus based system. The Stage II production and installation has been bundled with other Air Force upgrades. There are 44 production kits programmed with an Air Force plan to buy the first 20 during FY 00.